

PRAIRIE DEVELOPMENT CORPORATION

COLORADO'S CENTRAL PLAINS



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PRAIRIE DEVELOPMENT CORPORATION BOARD MEETING MINUTES November 30, 2011

Call to Order

Chairman Siekman called the Prairie Development Corporation board meeting to order at 7:10 p.m. at the Claremont Inn in Stratton, CO. Members in attendance were: Rol Hudler, Ed Rarick, Robert Safranek, Myron Sams, Mark Snyder, and Dorothy Stone. Other attendees included Maryjo Downey, PDC Administrator; Candace Payne, Special Projects Director. Jerry Allen and Craig Curl were absent.

Minutes

Minutes of the meeting held August 24, 2011, were presented for approval. After review, a motion for approval was made by Robert Safranek and seconded by Ed Rarick. The motion carried.

Financial Report

The Board reviewed a list of bills for August totaling \$48,443.33; September totaling \$28,188.37; and October totaling \$16,825.15; along with the financial reports for August, September, and October. Rol Hudler made a motion to accept the reports for filing and ratify the bills paid. Robert Safranek seconded the motion, which carried.

Jo Downey reminded the board to complete the mileage sheets for August and November so the checks could yet be issued in 2011. The reimbursement rate is 38 cents per mile, round trip.

Business Loan Recommendations

The Loan Committee met earlier in the day and recommended approval of a \$30,000 micro enterprise loan to a business located in Kit Carson County. Rol Hudler made a motion to approve the \$30,000 loan in Kit Carson County for 5 years at 5.25% fixed (WSJP plus 2%), personal guarantees, life insurance with PDC as loss payee, documented collateral as discussed in loan committee, and a 1% origination fee which may be taken from loan proceeds. Myron Sams seconded the motion and it passed unanimously. This loan must also be approved by the State Office of Economic Development and International Trade as it would be loaned from the open CDBG grant.

Housing Recommendations

There were two loans presented for affirmation during the earlier Loan Committee meeting. Jo reminded the board that no vote was needed by the full board as each loan amount was below \$25,000.

2011 & 2012 CTO Marketing Grants

Jo reported that ECCOG had been awarded \$8,500 from the Colorado Tourism Office for Regional Tourism Marketing in 2011 which required 50% match or \$8,500. A portion of this match comes from the PDC operating fund and input for the marketing and Our Journey and Off the Beaten Trail come from both the PDC and ECCOG Boards. Another grant for 2012 will soon be under contract. Match is again 50%. The work program for the OBT grant in 2012 will include a 2012 Regional Events Guide and concentrated work on bringing bus tours to the various Our Journey museums. Another co-op ad (similar to that in 2011) will be placed in the May-June Issue of the *Audubon* Magazine. Co-Op partners will include the Colorado Tourism Office, SE Colorado and the Forest Service.

Our Journey and Off the Beaten Trail 2012/Enterprise Zone Marketing Grant Extension

Plans are now underway for the 2012 Our Journey Program. The website home page and other information will be updated for the coming season. However, it is not anticipated that there will be any new Enterprise Zone marketing grant funds for 2012. Jo stated that the existing Enterprise Zone grant contract would be extended into 2011 and projects would be reworked to allow for some EZ funds from 2011 to assist with Our Journey Marketing in 2012. The Regional Tourism Marketing Grant outlined earlier does not help fund the base Our Journey work. Not having a 2012 EZ marketing grant will also complicate how costs are charged for administration of the Zone and the various tax credits. She stated that she felt it ironic that the new State pre-certification requirement and other mandated regulations for administration of the zone are being put into place the same year that the State determines that the EZ grant funds must be cut.

Economic Development Brochure(s) Revisions

Copies of the "final" drafts of each of the four individual county ED inserts that are used within the principal regional "pocket" ED brochure will be sent out electronically next week to both the PDC and ECCOG Boards. 2,000 of each will be printed with 1,000 going to each county for their individual use. Staff has attempted to incorporate all of the suggestions and changes received since the earlier draft(s) of October. All were asked to review the latest version(s) and get any final changes back to Jo Downey by December 15th.

Limon House Status

Candace reported we had eight to ten attendees at the open houses held October 22nd for both Limon properties. Both are income restricted and must be purchased by an individual or family that meets the low-to-moderate income guidelines and will actually live in the house. The realtor thinks the price is fine but that the income restrictions prevent offers as they exceed the income limits. After discussion, the board recommended we try to fund the sales with our own funds (i.e. carry them back) instead of using a traditional mortgage lender. Jo and Candace will work on this new option.

Home Sweet Prairies

Jo Downey said that the Home Sweet Prairies website, www.HomeSweetPrairies, was finally complete and it appeared that the Denver Post will be doing an article on the project before the end of the year. 2500 rack cards promoting the site and the opportunities to buy an affordable home in Colorado's Central Plains will be printed. A draft of the rack card had been included in Board Packets. Downey discussed the changes to the card and stated that it should be printed and ready for distribution by mid- month. Additional realtors can still be added. Danielle Dascalos will continue to assist in promoting the site to additional in-region realtors as well as working on additional media coverage for it. The general purpose of the site is to convey that the four counties have "affordable" housing available for home based businesses or retirees and to continue to build on the concept that Colorado's Central Plains are a great place to live. Jo encouraged the board to tell realtors about the Home Sweet Prairies website.

Prairie "Real Estate" Update

Jo reported we have renters and they are paying rent as agreed. There has been no change since the last meeting.

Business Loan Capital Balance/Contract Extension

ECCOG Executive Director, Jo Downey, discussed the balance of the CDBG Business Loan capital grant funds that originally had to be under contract (or de-obligated) by the end of January of 2012. Downey stated that the contract has now been granted a year's time extension and it is anticipated that Lincoln County will also be able to submit another amendment request to increase the grant by an additional \$300,000 in capital funds and supporting administrative funds and documenting the contribution of additional administrative match...thus allowing the PDC Board to continue to make loans for several more months without a new grant. Downey said that she would continue to finish the new grant application and would submit it by late spring (Lincoln County is again the applicant but the contract allows PDC to make loans in the other three counties as well) so that when the funds in the existing contract are totally committed, another new contract could be immediately considered by the State Office of Economic Development and International Trade.

Stratton Office Repairs

Jo reported all systems have been functioning well except for the north office area furnace. The repairmen are expected back in the office anytime to move the thermostat to a different wall which should help warm up the offices. Jo has not heard back on the earlier bills presented to the Town of Stratton for reimbursement on the sewer issues, but it does appear that the sewer issue are finally resolved.

SBDC Counseling Update

Candace Payne shared that she and Craig Curl will participate next week in the instructor training for NxLevel Entrepreneurship courses offered by SBDC. Jo explained that in 2012, PDC's funding match will consist of in-kind only up to \$10,000. This will leave Candace Payne at full salary with 20% of her time being SBDC counseling hours and related expenses. Jo stated that due to cuts at both PDC and ECCOG, contributing cash in 2012 was not possible.

Business Loan Activity Status

Candace reported that PDC currently has two potential business loan applications on our radar. We should have at least one application in 60 days or less. Three other business opportunities have come to our attention but no formal applications have been received.

Other Items

Jo stated the Denver Post did three articles on the use of the Enterprise Zone credits throughout the state over the past ten years. Jo felt that the articles were not accurate and did not reflect the importance of the availability of the credits in the rural areas...particularly to existing businesses, farms and ranches.

Next Meeting Date/Location

The Loan Committee will meet on Wednesday, March 28th at 5:00 p.m. in the board room at First National Bank of Hugo in Limon. Dinner location will be determined later. The regular board meeting will begin at 7 p.m. back at the bank.

Chairman Siekman declared the meeting adjourned at 8:03 p.m.